



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Finance & Governance
LEAD OFFICER:	Director of Finance
DATE:	28 June 2022

PORTFOLIO/S AFFECTED:	All
WARD/S AFFECTED:	All
KEY DECISION:	No

SUBJECT: Counter Fraud Policy Statement and Strategy 2022-25

1. EXECUTIVE SUMMARY

To present the revised Blackburn with Darwen Borough Council Counter Fraud Policy Statement and Counter Fraud Strategy 2022-25 to the Executive Member for Finance & Governance for approval.

Each local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) have produced the "Delivering Good Governance in Local Government Framework" which is intended to be followed as best practice.

One of the core principles of the Framework is to promote values for the Council and demonstrate the values of good governance through upholding high standards of conduct and behaviour. These should be defined and communicated through codes of conduct and protocols. A key area of this is to ensure that there are robust policies and procedures in place for countering fraud and corruption.

The Policy Statement and Strategy provide a clear statement of the Council's commitment and approach to this area from the Leadership team down. They provide a framework that should ensure a consistent approach is in place to embed robust and effective counter fraud arrangements into the Council's culture so that it is an integral part of the systems and procedures followed by Members, Chief Officers and staff at all levels.

2. RECOMMENDATIONS

That the Executive Member:

-approves the revised Counter Fraud Policy Statement and Strategy.

3. BACKGROUND

Effective local government relies on public confidence in Councillors and Officers. Good corporate governance underpins credibility but the processes involved must be transparent to all stakeholders to be effective and to give a lead in community governance e.g. making potential partners in the public, private and voluntary sectors, as well as local citizens, aware of the concept. As part of this responsibility, leaders of public services organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance

and demonstrates effective financial stewardship and strong public financial management.

The current Counter Fraud Policy Statement and Strategy have been in place since 2016. The revised documents, attached at Appendix 1 and 2, take account of the latest guidance set out in the Fighting Fraud and Corruption Locally Strategy (2020) and provide an effective structure and approach to ensure that the counter fraud arrangements in place are embedded into the everyday processes of financial management activity and decision making within the Council. They demonstrate to the local community and other stakeholders the Council's commitment to the prevention, deterrence and detection of fraud and corruption and the responsive approaches that the Council will follow in respect of any fraud identified.

The previous strategy focused upon pillars of activity that summarised the areas local authorities should concentrate efforts on. These were 'acknowledge', 'prevent' and 'pursue'. These pillars are still applicable. However two areas of activity have been included in the latest strategy which underpin tenets of those pillars. These are 'govern' and 'protect'. To govern involves ensuring the tone from the top whilst to protect recognises the harm that fraud can cause in the community and the importance of the Council protecting itself and its residents from fraud.

4. KEY ISSUES & RISKS

Effective local government relies on public confidence in Councillors and Officers. Good corporate governance underpins credibility but the processes involved must be transparent to all stakeholders to be effective and to give a lead in community governance e.g. making potential partners in the public, private and voluntary sectors, as well as local citizens, aware of the concept. As part of this responsibility, leaders of public services organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management.

In response to previous guidance issued by CIPFA the Council revised its Counter Fraud Policy and Strategy in 2016. The Fighting Fraud and Corruption Locally Strategy was published by Cifas, the UK's Fraud Prevention Service, in 2020. The Strategy was led by the Fighting Fraud and Corruption Locally Board, which is chaired by a representative of SOLACE and is supported by the Local Government Association who have endorsed the Strategy. The Fighting Fraud and Corruption Locally Strategy is the updated counter fraud and corruption strategy for local government. A full review of the Council's current Counter Fraud Policy and Strategy has therefore been undertaken to ensure that it is consistent with the Fighting Fraud and Corruption Locally Strategy 2020.

5. POLICY IMPLICATIONS

These are revised documents which will replace the previous Counter Fraud Policy and Counter Fraud Strategy approved in 2016.

6. FINANCIAL IMPLICATIONS

The Council has little recorded fraud. However, fraud risks have been identified, which if not controlled effectively could result in financial loss. Assurances will be sought from departments and tests carried out to ensure that effective measures are in place to reduce these risks

The Policy Statement and Counter Fraud Strategy provide a means of demonstrating the Council's commitment and approach to this area on a continuous basis, and that any cases of fraud or corruption identified will be dealt with appropriately. It serves also to help protect the Council's financial resources and assets. There are no additional costs linked to this Policy and Strategy.

7. LEGAL IMPLICATIONS

It is a requirement of the Accounts and Audit Regulations 2015 that those charged with responsibility for governance conduct an annual review of the effectiveness of the system of internal control. This involves ensuring a sound system of internal control is in place which facilitates the effective exercise of its functions and the achievement of its aims and objectives, and includes the effective arrangements for the management of fraud and corruption.

Effective counter fraud arrangements are a major component of good governance. The commitment of the Leadership Team to creating a culture that is resilient to the threats of fraud and corruption through the Policy Statement and Strategy document is therefore an essential part of complying with these Regulations. Failure to manage fraud and corruption risks effectively may give rise to increased financial loss or loss of assets and may adversely impact on the Council's reputation.

There are no additional legal implications in relation to this revised Policy Statement or Strategy.

8. RESOURCE IMPLICATIONS

There should be no additional resource implications of the revised Policy Statement or Counter Fraud Strategy.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Director of Finance

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered as detailed in the attached briefing paper. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

VERSION: 0.01

CONTACT OFFICER: Colin Ferguson, Head of Audit & Assurance

DATE:	10/06/2022
BACKGROUND PAPER:	Anti-fraud and Corruption Policy 2016 Counter Fraud Strategy 2016 - 2021

